

**AGREEMENT  
BETWEEN  
LAKE COUNTY, FLORIDA  
AND  
MOORE STEPHENS LOVELACE, P.A.  
FOR  
AUDITING SERVICES  
RFP 12-0001**

This is an Agreement between Lake County, Florida, a political subdivision of the State of Florida, hereinafter referred to as the COUNTY, by and through its Board of County Commissioners, and Moore Stephens Lovelace, P.A. a Florida corporation, its successors and assigns, hereinafter referred to as CONSULTANT.

**Recitals**

**WHEREAS**, the COUNTY has publicly submitted a Request for Proposal (RFP), #12-0001, to retain a consultant to provide auditing services pursuant to Section 218.391, Florida Statutes; and

**WHEREAS**, CONSULTANT desires to perform such services subject to the terms of this Agreement;

**NOW, THEREFORE, IN CONSIDERATION** of the mutual terms, understandings, conditions, promises, covenants, and payment hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

**Article 1. Recitals**

**1.1** The foregoing recitals are true and correct and incorporated herein by reference.

**Article 2. Purpose**

**2.1** The purpose of this Agreement is for CONSULTANT to provide auditing services pursuant to Section 218.391, Florida Statutes.

**Article 3. Scope of Services**

**3.1** On the terms and conditions set forth in this Agreement, the COUNTY hereby engages CONSULTANT to perform the services more specifically detailed in **Exhibit A**, attached hereto and incorporated herein by reference, as clarified or adjusted by the Addendum dated May 18, 2012, attached hereto and incorporated herein by reference as **Exhibit B**.

**3.2** This Agreement shall be effective immediately following the date of execution by the COUNTY and shall remain in effect for an initial term of thirty six (36) months. The prices set forth in this Agreement shall prevail for the full duration of the initial Agreement term. Prior to, or upon completion, of the initial term of this Agreement, the COUNTY shall have the option to renew this Agreement for up to two (2) additional one (1) year periods under the same terms and conditions. Prior to completion of each exercise contract term, the COUNTY may consider an adjustment to price based on the changes to the applicable CPI. It is the CONSULTANT'S responsibility to request any pricing adjustment under this provision. Continuation of the Agreement beyond the initial period, and any option subsequently exercised, is a COUNTY prerogative, and not a right of the CONSULTANT. This prerogative may be exercised only when such continuation is clearly in the best interest of the COUNTY.

**3.3** The CONSULTANT shall coordinate and work with any other consultants retained by the COUNTY. CONSULTANT acknowledges that nothing herein shall be deemed to preclude the COUNTY from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the CONSULTANT or from independently developing or acquiring materials or programs that are similar to, or competitive with, the services provided under this Agreement.

**3.4** CONSULTANT shall utilize the U.S. Department of Homeland Security's E-Verify system in accordance with the terms governing use of the system to confirm the employment eligibility of:

- A. All persons employed by the CONSULTANT during the term of this Agreement to perform employment duties within Lake County; and
- B. All persons, including subcontractors, assigned by the CONSULTANT to perform work pursuant to the contract.

#### **Article 4. Payment**

**4.1 Payment.** The COUNTY shall provide periodic payments for services rendered by the CONSULTANT as specified below, and in the amounts shown in the Fee Schedule, attached hereto and incorporated herein as **Exhibit C**. Periodic progress billings shall be submitted as work progresses, but, not more often than monthly subject to the "not to exceed" values specified below. Any bill received by the tenth (10<sup>th</sup>) day of any month will be paid during that month. For each fiscal year, payments shall not exceed:

- By October 1<sup>st</sup>, 30 % of the total audit fee for the Board and Constitutional Officers
- By November 1<sup>st</sup>, 50 % of the total audit fee for the Board and Constitutional Officers
- By December 1<sup>st</sup>, 70 % of the total audit fee for the Board and Constitutional Officers
- By January 1<sup>st</sup>, 90 % of the total audit fee for the Board and Constitutional Officers



Ten percent (10 %) of the total payment shall be held back from the total payment until the audit is accepted by the County.

Billing for additional work efforts performed on an hourly basis may be submitted on a monthly basis within the "not-to-exceed" value specifically negotiated for the specific work effort.

In order for the County to provide payment, the CONSULTANT shall submit a fully documented invoice that provides the basic information set forth below. The invoice shall be submitted to the COUNTY'S Finance department within thirty (30) calendar days after the service has been rendered. It shall be understood that such invoices shall not be submitted for payment until such time as the service has been completed and a COUNTY representative has reviewed and approved the service.

**4.2 Invoices.** CONSULTANT shall submit monthly invoices to Barbara Lehman, Finance Department, P.O. Box 7800, Tavares, Florida 32778. All invoices shall contain the Agreement and/or purchase order number, date and location of delivery or service, and confirmation of acceptance of the goods or services by the appropriate COUNTY representative. Failure to submit invoices in the prescribed manner will delay payment, and/or cause the CONSULTANT to be considered in default of contract. If CONSULTANT is considered to be in default of contract, this Agreement may be terminated.

**4.3** Payments shall be tendered in accordance with the Florida Prompt Payment Act, Part VII, Chapter 218, F.S.

## **Article 5. County Responsibilities**

**5.1** COUNTY shall promptly review the services performed by CONSULTANT and provide direction to CONSULTANT as needed. COUNTY shall designate a County staff member to act as COUNTY'S Project Manager.

**5.2** The COUNTY will provide to the CONSULTANT all necessary and available data, data developed and/or within the possession of the COUNTY, and any other data the COUNTY possesses that would be useful to the CONSULTANT in the completion of the required services.

## **Article 6. Special Terms and Conditions**

**6.1** Qualifications. Firms or individuals will be registered with the State of Florida and have obtained at least the minimum thresholds of education and professional experience required by the statutes to perform the services contained herein.

**6.2** Assignment of Agreement. This Agreement shall not be assigned except with the written consent of the COUNTY'S Office of Procurement Services. No such consent shall be construed as making the COUNTY a party to the assignment or subjecting the COUNTY to liability of any kind to any assignee. No subcontract shall under any circumstances relieve the

CONSULTANT of liability and obligations under this Agreement and all transactions with the COUNTY must be through the CONSULTANT.

**6.3 Insurance.** An original certificate of insurance, indicating that CONSULTANT has coverage in accordance with the requirements of this section, shall be furnished by the CONSULTANT to the COUNTY before any work under this Agreement begins. CONSULTANT shall purchase and maintain at its expense, at all times during the term of this Agreement, insurance policies from a company or companies authorized to do business in the State of Florida, and which are acceptable to the COUNTY. Said insurance policies shall insure the CONSULTANT against any and all claims, demands and any causes of action whatsoever, for injuries received or damage to property arising from or relating to the performance or non-performance of duties, services and/or obligations of the CONSULTANT under the terms and provisions of this Agreement. CONSULTANT is responsible for timely provision of certificate(s) of insurance to the COUNTY at the certificate holder address evidencing conformance with the Agreement requirements at all times throughout the term of this Agreement. Such policies of insurance, and conforming certificates of insurance, shall insure the CONSULTANT in accordance with the following minimum limits:

General Liability insurance on forms no more restrictive than the latest edition of the Occurrence Form Commercial General Liability policy (CG 00 01) of the Insurance Services Office or equivalent without restrictive endorsements, with the following minimum limits and coverage:

Each Occurrence/General Aggregate	\$1,000,000/2,000,000
Products-Completed Operations	\$1,000,000
Personal & Adv. Injury	\$1,000,000
Fire Damage	\$50,000
Medical Expense	\$5,000
Contractual Liability	Included

Automobile liability insurance, including owned, non-owned, and hired autos with the following minimum limits and coverage:

Combined Single Limit	\$1,000,000
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Workers' compensation insurance based on proper reporting of classification codes and payroll amounts in accordance with Chapter 440, Florida Statutes, and/or any other applicable law requiring workers' compensation (Federal, maritime, etc). If not required by law to maintain workers compensation insurance, the CONSULTANT must provide a notarized statement that if he or she is injured, he or she will not hold the COUNTY responsible for any payment or compensation.

Employers Liability with the following minimum limits and coverage:

Each Accident	\$1,000,000
Disease-Each Employee	\$1,000,000
Disease-Policy Limit	\$1,000,000



Professional Liability and/or specialty insurance (medical malpractice, engineers, architect, consultant, environmental, pollution, errors and omissions, etc.) as applicable with minimum limits of \$1,000,000 and annual aggregate of \$2,000,000.

Lake County, a Political Subdivision of the State of Florida, and the Board of County Commissioners shall be named as additional insured as their interest may appear on all applicable liability insurance policies.

Certificate(s) of insurance shall identify the contract number in the Description of Operations section of the Certificate.

Certificate(s) of insurance shall provide for a minimum of thirty (30) days prior written notice to the COUNTY of any change, cancellation, or nonrenewal of the required insurance. It is the CONSULTANT's specific responsibility to ensure that any such notice is provided within the stated timeframe to the certificate holder.

Certificate holder shall be:

LAKE COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA,  
AND THE BOARD OF COUNTY COMMISSIONERS.  
P.O. BOX 7800  
TAVARES, FL 32778-7800

Certificate of insurance shall evidence a waiver of subrogation in favor of the COUNTY, that coverage shall be primary and noncontributory, and that each evidenced policy includes a Cross Liability or Severability of Interests provision, with no requirement of premium payment by the COUNTY.

The CONSULTANT shall be responsible for subcontractors and their insurance. Subcontractors are to provide Certificates of Insurance to the COUNTY evidencing coverage and terms in accordance with the CONSULTANT's requirements.

All self-insured retentions shall appear on the certificate(s) and shall be subject to approval by the COUNTY. At the option of the COUNTY, the insurer shall reduce or eliminate such self-insured retentions, or the CONSULTANT shall be required to procure a bond guaranteeing payment of losses and related claims expenses.

The COUNTY shall be exempt from, and in no way liable for, any sums of money that may represent a deductible or self-insured retention in any insurance policy. The payment of such deductible or self-insured retention shall be the sole responsibility of the CONSULTANT and/or subcontractor providing such insurance.

Failure to obtain and maintain such insurance as set out above will be considered a breach of contract and may result in termination of this Agreement for default.

Neither approval by the COUNTY of any insurance supplied by the CONSULTANT or subcontractor(s), nor a failure to disapprove that insurance, shall relieve the CONSULTANT of full responsibility for liability, damages, and accidents as set forth herein.

If it is not possible for the CONSULTANT to certify compliance, on the certificate of insurance, with all of the above requirements, then the CONSULTANT is required to provide a copy of the actual policy endorsement(s) providing the required coverage and notification provisions

**6.4** Indemnity. The CONSULTANT shall indemnify and hold the COUNTY and its agents, officers, commissioners or employees harmless for any damages resulting from failure of the CONSULTANT to take out and maintain the above insurance. Additionally, the CONSULTANT agrees for good and valuable consideration in the amount of ten dollars (\$10.00) to indemnify, and hold the Board of County Commissioners, Lake County, Florida, and its officers, commissions, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities to the extent resulting from the negligent act, error or omission of the CONSULTANT, its agents, employees or representative, in the performance of the CONSULTANT's duties set forth in this Agreement.

**6.5** Independent Contractor. The CONSULTANT agrees that it shall be acting as an independent contractor and shall not be considered or deemed to be an agent, employee, joint venturer, or partner of the COUNTY. The CONSULTANT shall have no authority to contract for or bind the COUNTY in any manner and shall not represent itself as an agent of the COUNTY or as otherwise authorized to act for or on behalf of the COUNTY.

**6.6** Public Records / Copyrights / Acknowledgement of DOE Support:

A. All electronic files, audio and/or video recordings, and all papers pertaining to any activity performed by the CONSULTANT for or on behalf of the COUNTY shall be the property of the COUNTY and will be turned over to the COUNTY upon request. In accordance with Florida "Public Records" law, Chapter 119, Florida Statutes, each file and all papers pertaining to any activities performed for or on behalf of the COUNTY are public records available for inspection by any person even if the file or paper resides in the CONSULTANT's office or facility. All of CONSULTANT's records with respect to any matters covered by this Agreement shall be maintained for at least three (3) complete calendar years following contract completion, or in accordance with any federal grant requirements, whichever period is longer. In the event any work is subcontracted, CONSULTANT shall similarly require each subcontractor to maintain and allow access to such records. Prior to the close out of the Agreement, the CONSULTANT shall appoint a records custodian to handle any records requests and shall provide the custodian's name and telephone number(s) to the COUNTY.

B. Any copyright derived from this Agreement shall belong to the author. The author and the CONSULTANT shall expressly assign to the COUNTY nonexclusive, royalty free rights to use any and all information provided by the CONSULTANT in any deliverable and/or report for the COUNTY's use which may include publishing in COUNTY documents and distribution as the COUNTY deems to be in the COUNTY's best interests. If anything included in any



deliverable limits the rights of the COUNTY to use the information, the deliverable shall be considered defective and not acceptable and the CONSULTANT will not be eligible for any compensation.

**6.7 Right to Audit.** The County reserves the right to require CONSULTANT to submit to an audit by any auditor of the COUNTY'S choosing. CONSULTANT shall provide access to all of its records that relate directly or indirectly to this Agreement at its place of business during regular business hours. The COUNTY and CONSULTANT shall retain all records pertinent to expenditures incurred under this Agreement for a period of three (3) years after the termination of all activities funded under this Agreement. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the three-year period, then such records must be retained in completion of the actions and resolution of all issues, or the expiration of the three-year period, whichever occurs later. CONSULTANT agrees to provide such assistance as may be necessary to facilitate the review or audit by the COUNTY to ensure compliance with applicable accounting and financial standards.

**6.8 Reporting.** CONSULTANT recognizes that the services provided herein are subject to criteria and conditions established under the American Recovery and Reinvestment Act of 2009 (also known as the Federal Economic Stimulus Bill). There are federal reporting requirements associated with these services, such as monthly reports of number of jobs created and the number of jobs retained by the project or activity. Reports shall continue until all of CONSULTANT'S responsibilities under this Agreement have terminated.

**6.9 Codes and Regulations.** All work completed under this Agreement shall conform to all applicable federal, state and local statutes, codes, regulations and ordinances.

**6.10 Public Entity Crimes.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for Category Two for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

**6.11 Prohibition Against Contingent Fees.** The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the CONSULTANT, any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award or making of this Agreement.

**6.12 Key Contractor Personnel.** In signing this Agreement, the CONSULTANT is representing that the personnel CONSULTANT listed in its proposal shall be available to perform the services described for the COUNTY, barring illness, accident, or other unforeseeable events of a similar nature, in which case the CONSULTANT must be able to promptly provide a qualified replacement. In the event the CONSULTANT wishes to substitute

personnel for those listed in the CONSULTANT's proposal, the CONSULTANT shall propose a person with equal or higher qualifications, and each replacement person is subject to prior written COUNTY approval. In the event the requested substitute personnel is not satisfactory to the COUNTY and the matter cannot be resolved to the satisfaction of the COUNTY, the COUNTY reserves the right to cancel this Agreement for cause.

## **Article 7. General Conditions**

7.1 This Agreement is made under, and in all respects shall be interpreted, construed, and governed by and in accordance with, the laws of the State of Florida. Venue for any legal action resulting from this Agreement shall lie in Lake County, Florida. In the event that a suit is brought for the enforcement of any term of this Agreement, or any right arising there from, the parties expressly waive their respective rights to have such action tried by jury trial and hereby consent to the use of non-jury trial for the adjudication of such suit.

7.2 Neither Party may assign any rights or obligations under this Agreement to any other party unless specific written permission from the other party is obtained.

7.3 The services rendered through this Agreement shall not be deemed complete until accepted by the COUNTY, and shall be in compliance with the terms herein, fully in accord with the specifications and of the highest quality. In the event that the service does not conform to the specifications, the COUNTY reserves the right to terminate the Agreement and shall not be responsible to pay for any such service.

7.4 The captions utilized in this Agreement are for the purposes of identification only and do not control or affect the meaning or construction of any of the provisions hereof.

7.5 This Agreement shall be binding upon and shall inure to the benefit of each of the parties and of their respective successors and permitted assigns.

7.6 This Agreement may not be amended, released, discharged, rescinded or abandoned, except by a written instrument duly executed by each of the parties hereto.

7.7 The failure of any party hereto at any time to enforce any of the provisions of this Agreement will in no way constitute or be construed as a waiver of such provision or of any other provision hereof, nor in any way affect the validity of, or the right thereafter to enforce, each and every provision of this Agreement.

7.8 During the term of this Agreement the CONSULTANT assures the COUNTY that it is in compliance with Title VII of the 1964 Civil Rights Act, as amended, and the Florida Civil Rights Act of 1992, in that the CONSULTANT does not on the grounds of race, color, national origin, religion, sex, age, disability or marital status, discrimination in any form or manner against the CONSULTANT employees or applicants for employment. The CONSULTANT understands and agrees that this Agreement is conditioned upon the veracity of this statement of assurance.



7.9 The CONSULTANT shall at all times comply with all Federal, State and local laws, rules and regulations.

7.10 The COUNTY, at its sole discretion, reserves the right to terminate this Agreement upon thirty (30) days written notice. Upon receipt of such notice, CONSULTANT shall not incur any additional costs under this Agreement. The COUNTY shall be liable for reasonable costs incurred by the CONSULTANT prior to notice of termination. The COUNTY shall be the sole judge of 'reasonable costs.'

7.11 The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

7.12 The parties shall exercise every reasonable effort to meet their respective obligations hereunder, but shall not be liable for delays resulting from force majeure or other causes beyond their reasonable control, including, but not limited to, compliance with any Government law or regulation, acts of nature, acts or omissions of the other party, Government acts or omissions, fires, strikes, national disasters, wars, riots, transportation problems and/or any other cause whatsoever beyond the reasonable control of the parties. Any such cause will extend the performance of the delayed obligation to the extent of the delay so incurred.

7.13 Wherever provision is made in this Agreement for the giving, service or delivery of any notice, statement or instrument other than monthly progress reports and regular invoices, such notice shall be in writing and shall be deemed to have been duly given, served and delivered, if delivered by hand or mailed by United States registered or certified mail or sent by facsimile, addressed as follows:

If to CONSULTANT:

Dan O'Keefe, CPA, MBA, CFE  
1201 S. Orlando Avenue, Ste. 400  
Winter Park, Florida 32789

If to COUNTY:

Lake County Manager  
P.O. Box 7800  
Tavares, FL 32778-7800

With a copy to:

Barbara Lehman, Finance Department  
P.O. Box 7800  
Tavares, FL 32778-7800

Each party hereto may change its mailing address by giving to the other party hereto, by hand delivery, United States registered or certified mail notice of election to change such address.

**Article 8. Scope of Agreement**

8.1 This Agreement is intended by the parties hereto to be the final expression of their Agreement, and it constitutes the full and entire understanding between the parties with respect

to the subject hereof, notwithstanding any representations, statements, or agreements to the contrary heretofore made.

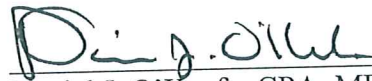
8.2 This Agreement contains the following Exhibits:

<b>EXHIBIT A</b>	Statement of Work
<b>EXHIBIT B</b>	Addendum
<b>EXHIBIT C</b>	Fee Schedule

**IN WITNESS WHEREOF**, the parties hereto have made and executed this Agreement on the respective dates under each signature: COUNTY through its Board of County Commissioners, signing by and through its Chairman, authorized to execute same by Board Action on the 15<sup>th</sup> day of July, 2012, and by CONSULTANT through its duly authorized representative.

**CONSULTANT**

Moore Stephens Lovelace, P.A.



Daniel J. O'Keefe, CPA, MBA, CFE  
Shareholder

This 20<sup>th</sup> day of June, 2012.




COUNTY

LAKE COUNTY, through its  
BOARD OF COUNTY COMMISSIONERS


ATTEST:

  
\_\_\_\_\_  
Neil Kelly, Clerk of the Board  
of County Commissioners  
of Lake County, Florida

  
\_\_\_\_\_  
Leslie Campione  
Chairman

This 13 day of July, 2012.

Approved as to form and legality:

  
\_\_\_\_\_  
Sanford A. Minkoff  
County Attorney

## **EXHIBIT A**

### **Audit Services**

#### General Scope

Provide an audit of the County's Comprehensive Annual Financial Report which includes the Board of County Commissioners, Clerk, Supervisor of Elections, Tax Collector, Property Appraiser and Sheriff as required by Florida Statutes. The audit should be in accordance with auditing standards as generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

The Board of County Commissioners desires the CONSULTANT to express an opinion on the fair presentation of its basic financial statements in conformity with generally accepted accounting principles.

The CONSULTANT is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the basic financial statements. The CONSULTANT shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

The CONSULTANT is to provide an "in-relation-to" report on the schedule of federal and state financial assistance based on the auditing procedures applied during the audit of the financial statements.

#### Overview

Lake County is a political subdivision of the State of Florida pursuant to Article VIII, Section (1) Constitution of the State of Florida. The Board of County Commissioners, (the "Board") is the legislative and governing body of Lake County. There are five elected commissioners and additionally five elected constitutional officers of Sheriff, Tax Collector, Property Appraiser, Supervisor of Elections, and Clerk of the Circuit Court. The Clerk of the Circuit Court also services as accountant for the Board, auditor and custodian of the County funds. Commissioners and all constitutional officers are elected by countywide vote to serve four-year terms. The offices of the Property Appraiser, Tax Collector and the majority of the Clerk's Office are funded by fees. The Board funds the Offices of the Sheriff, Supervisor of Elections, and the Clerk to Board functions by operating transfers.

#### Background Information

The tabulation of the separate Lake County payrolls and employees for the fiscal year ending September 30, 2011 is as follows:



<b>Constitutional Officers</b>	<b>Payrolls</b>	<b>Employees</b>
Board of County Commissioners	\$32,026,077.89	739
Clerk of the Circuit Court	\$ 8,017,855.00	225
Tax Collector	Not available	68
Property Appraiser	\$ 1,545,120.00	37
Sheriff	\$35,494,187.52	766
Supervisor of Elections	\$ 946,837.11	11

The accounting and financial reporting functions of Lake County are decentralized with each Constitutional Officer maintaining separate accounting systems and budgets except for the Clerk and Supervisor of Elections whose books are maintained by the Clerk's Office.

More detailed information on the government and its finances can be found in the County's Budget and the Comprehensive Annual Financial Report (CAFR). This information can be found at the following websites: CAFR: [www.lakecountyclerk.org](http://www.lakecountyclerk.org) under records search. Budget: [www.lakecountyfl.gov](http://www.lakecountyfl.gov), under Departments - County Manager – Budget.

### Fund Structure

Lake County used the following fund types in its financial reporting, which includes component units:

<u>Fund Type</u>	<u>Number of individual Accounts</u>
General Fund	1
Special revenue funds	28
Debt service funds	4
Capital projects funds	4
Enterprise funds	1
Internal service funds	4
Agency funds	18

The general funds of the constitutional officers are combined with the Board and presented as one general fund in the CAFR. The fund totals above includes other funds maintained by the Board, Clerk, Sheriff and Tax Collector.

#### Budgetary Basis of Accounting

The Board of County Commissioners prepares its budgets according to Chapter 129, Florida Statutes. The budgets of all governmental funds are accounted for on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The budgets for proprietary funds are also accounted for on the modified accrual basis of accounting, which excludes depreciation expense and recognizes purchases of fixed assets and principal repayment of debt as expenditures among other differences. Consequently, proprietary fund budgets are not on a basis consistent with generally accepted accounting principles.

#### Federal and State Financial Assistance

During the fiscal year ended September 30, 2011 the County had expenditures of federal awards and state financial assistance of \$20,146,675 and \$5,555,660, respectively. See the CAFR for additional information.

#### Pension Plan

Lake County participates in the Florida Retirement System, a defined benefit, cost-sharing multiple-employer public retirement system, which is controlled by the State legislature and administered by the State Division of Retirement. All full-time employees of Lake County are covered. Actuarial services for these plans are provided by the State of Florida.

#### Reporting Entity

The Lake County primary government includes the Board of County Commissioners, Clerk of the Circuit Court, Tax Collector, Property Appraiser, Sheriff, and Supervisor of Elections and is defined for financial reporting purposes, in conformity with GASB Statement 14 as amended by GASB Statement 39. Blended component units of the County include various special revenue funds. There are no discretely presented component units.

### Availability of Prior Audit Reports

Interested firms who wish to review prior years' audit reports and management letters may contact the Purchasing Department, 315 West Main Street, Suite 416, Tavares, Florida 32778 or visit our website at [http://www.lakecountyclerk.org/departments/Board Accounting](http://www.lakecountyclerk.org/departments/Board_Accounting).

### Computer Systems for Financial Reporting

The Board of County Commissioners, Sheriff, Clerk and Supervisor of Elections use Tyler Technologies MUNIS software for financial reports.

The Tax Collector uses Black Baud Financial Edge

The Property Appraiser uses BUCS (Budgetary Control System

### Auditing Standards to be Followed

The audit shall be performed in accordance with:

- A. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, the standards for financial audits set forth in the Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement.
- B. Rules of the Auditor General, Chapter 10.550, Local Governmental Entity Audits Section 218.39, Florida Statutes and Section 215.97, Florida Statutes, Florida Single Audit Act and Sections 29.008 and 29.0085, Florida Statutes, regarding County funded court related functions.

### Reports to be Issued

- A. Following the completion of the audit, the auditor shall issue the following audit reports.
  - 1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
  - 2. A management letter as required by Rules of the Auditor General, Chapter 10.550 Local Governmental Entity Audits.
  - 3. A report on compliance requirements, applicable to each major federal program and major state project and the internal control over compliance



- in accordance with OMB Circular A-133 and the Rules of the Auditor General.
4. A report on compliance with laws and regulations and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.
  5. A schedule of finding and question costs related to federal and state programs.
  6. A Data Collection form as required by OMB Circular A-133.

The CONSULTANT shall communicate in a letter to management any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

In addition, the following conditions shall be considered reportable:

- Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware.

B. Provide an auditor's opinion for the following special reports:

1. Statement of County Funded Court-Related Functions
2. Solid Waste Management Facility Letter form Chief Financial Officer to Demonstrate Financial Assurance for Closing and Long Term Care Costs

C. Provide an annual audit opinion, management letter, compliance report, and single audit report, for Lake-Sumter Metropolitan Planning Organization (MPO). The MPO has five employees and an estimated budget of \$1,725,000 for 2012. The MPO has a June 30<sup>th</sup> year end. The MPO uses Tyler Technologies MUNIS software.

#### Planning, Progress and Exit Conferences

The audit engagement will include planning and exit conferences with each County official and their designated representatives.

Progress conferences to summarize results of preliminary reviews of key internal controls and matters to be tested are to be held as required by each County official.

The purpose of these meetings will be to summarize the results of the fieldwork and to review significant findings.

### Other Considerations

- A. The COUNTY will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. The COUNTY has received this recognition for each of the past thirty (30) fiscal years and will submit the report for the year ended September 30, 2012.
- B. The schedule of federal and state financial assistance and related auditor's report, as well as the reports on the internal control structure and compliance are to be issued as part of the comprehensive annual financial report.
- C. The Clerk's County Finance department will prepare the comprehensive annual financial report and will be responsible for combining and printing the overall report. In addition, the County Finance department will prepare the financial statements for the Clerk, Supervisor of Elections, and the Lake Sumter Metropolitan Planning Organization.
- D. The COUNTY anticipates it may issue official statements in connection with the sale of debt securities, which will contain the government wide financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or underwriter, to issue any necessary consent letters.

### Records Retention

All working papers and reports must be retained, at the CONSULTANT'S expense, for a minimum of five (5) years after conclusion of the contract, or as required by law, unless the firm is notified in writing by the Board of County Commissioners of the need to extend the retention period. The CONSULTANT will be required to make working papers available, upon request to: Federal and State cognizant agencies, successor auditors or other official designees of the Board and/or Constitutional Officers.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

The CONSULTANT shall provide the required copies of the written audit reports on the results of the audit within ten (10) days after the exit conference to each of the above officers.



### Assistance to be Provided to the Auditor

The staff of the Constitutional Officers and the Board will be available during the audit to assist the CONSULTANT by providing information, documentation and explanations. Each entity will prepare confirmations, representation letters and legal letters.

The Clerk's Internal Audit staff will be available as needed.

The Clerk's Information Resources department will provide systems documentation and explanations.

The COUNTY agencies will provide the CONSULTANT with reasonable workspace. The CONSULTANT will also be provided with access to a telephone line, internet access, photocopier, and fax machine.

The CONSULTANT will prepare the financial statements, will reproduce and bind reports for the Sheriff, Tax Collector and Property Appraiser and will provide additional information from these officers as required for the CAFR. The Clerk's Office will prepare the CAFR, the Clerk and Supervisor of Elections financial statements and these financial statements and reports will be reproduced and bound by the Clerk's Office. The CONSULTANT will provide their reports in PDF files for inclusion with the financial statements.

### Deliverables and Schedule

Each of the following is expected to be completed by the CONSULTANT no later than the dates indicated, unless the Board of County Commissioners or Constitutional Officers do not have the required information available:

- Interim work: planning and interim work shall begin when the COUNTY approves this contract.
- Detailed audit plan: The CONSULTANT shall provide the COUNTY and Constitutional Officers a list of schedules to be prepared by the COUNTY by September 30<sup>th</sup>.
- Fieldwork: The Constitutional Officers' books will be closed by November 1<sup>st</sup> of each year except for the Tax Collector, which will be completed by December 15<sup>th</sup>. The Board of County Commissioners books will be closed by December 15<sup>th</sup>.
- Draft Reports: The CONSULTANT will draft the financial statements for the Sheriff, Tax Collector and Property Appraiser. These drafts need to be provided to the Clerk's Office by December 15<sup>th</sup> in order for the County Finance Department to draft the CAFR. Drafts of the reports and management letter comments shall be given to all the Constitutional Officers by December 15<sup>th</sup> and to the Board of County Commissioners by January 31<sup>st</sup>.

**EXHIBIT B  
ADDENDUM**





# LAKE COUNTY

## FLORIDA

OFFICE OF PROCUREMENT SERVICES  
315 WEST MAIN STREET, SUITE 416  
PO BOX 7800  
TAVARES FL 32778-7800

PHONE: (352) 343-9839  
FAX: 352) 343-9473

www.lakegovernment.com

### ADDENDUM NO. 1 RFP No. 12-0001, Auditing Service Date: May 18, 2012

It is the vendor's responsibility to ensure their receipt of all addenda, and to clearly acknowledge all addenda within their initial bid or proposal response. Acknowledgement may be confirmed either by inclusion of a signed copy of this addendum with the initial bid or proposal response, or by completion and return of the addendum acknowledgement section of the solicitation. Failure to acknowledge each addendum may prevent the bid or proposal from being considered for award.

This addendum clarifies the proposal due date. **Proposal due date is May 24, 2012, 3:00 P.M.**

1. Change Section 1.3, Method of Award, "Technical proposals will be evaluated on the following" shall be changed to read:

*Cost proposals will be evaluated and award will be made to the vendor who submits the overall proposal that is judged to provide the best value to the County.*

2. Add the following paragraph to the end of Section 1.8, Insurance:

*If it is not possible for the Vendor to certify compliance, on the certificate of insurance with all of the above requirements then the Vendor is required to provide a copy of the actual policy endorsement(s) providing the required coverage and notification provisions.*

3. Change Section 2, Statement of Work, General Scope, first paragraph, last sentence to read as follows:

*The audit should be in accordance with auditing standards as generally accepted in the United States. Conducting audits in accordance with the auditing standards adopted by the Florida Board of Accountancy.*

4. Add the following vendor preference information into under Section 4, Pricing/Certifications/Signatures:

#### ***Reciprocal Vendor Preference:***

*Vendors are advised the County has established, under Lake County Code, Chapter 2, Article VII, Sections 2-221 and 2-222; a process under which a local vendor preference program applied by another county may be applied in a reciprocal manner within Lake County. The following information is needed to support application of the Code:*

- I. Primary business location of the responding vendor (city/state):*

2. Does the responding vendor maintain a significant physical location in Lake County at which employees are located and business is regularly transacted: ☐ Yes ☐ No If "yes" is checked, provide supporting detail:

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5. What was the audit fees paid to the current Auditing Firm for the past two years?

*Board and Constitutional Officers: \$202,735 for both years.  
Lake Sumter MPO: \$16,000 for both years.*

6. Were there any non-audit fees paid in the past two years?

*Fee for special reports for court related functions and landfill financial assurance: \$3,735 for both years.*

7. What is the earliest time frame for beginning year-end field work for the Board and each Constitutional Officer?

*The dates listed in Section 1.10 are the earliest times for beginning year end fieldwork.*

8. Clarify what is required on the "Similar Projects Form".

*We are looking for County audits you have performed, the years and the fees.*

9. Clarify the timing of the completion for the 2011 audit and what is expected to be performed differently for the 2012 audit.

*Section 1.10 of the RFP is our plan for having the CAFR drafted. There are no changes for 2012.*

10. Describe the MPO and clarify the relationship with the County, including the timeframe of that audit and identification of who maintains the records for the MPO.

*Note 1 to the financial statements describes the MPO and its relationship to the County. The MPO has a 6/30 year end. Fieldwork begins in August. We maintain the MPO's records. The 2011 financial statements will be available on our website.*

11. Payroll information for the Tax Collector's Office is \$2,666,583.00.

12. Will the new ambulance service continue to be externally audited?

*No*

13. Will there be a separate audit for the ambulance services?

*No, it is part of the Board Financial Statement.*



14. How is the tax base?

*Preliminary numbers have been given from the Property Appraiser for this year. The General Fund is dropping by 5.11% and the range across the County is 2.35 % to 17%.*

15. Sixty-five million dollars (\$65,000,000) construction and government operation is from the 2000 bonds. The estimated completion of this construction is 10/2012. Bond rebates remaining.

16. Was there an expanded scope for the construction?

*No, there were no special procedures.*

17. What is the County's involvement with state medicaid?

*The County was involved with other counties against the state.*

18. Payroll is handled internally except for EMS and they use an outside vendor.

19. The County banks with BB&T

20. Is there any other accounting software that we integrate?

*Yes, we integrate with the following:  
Fasgov  
Board Revenue - Munis  
Sheriff - Spillman  
Clerk - Clerk View  
Recording - Acclaim  
EMS - Zoll (EMS does their own billing)  
Fire - Telestaff  
Section 8 - Happy*

21. Utilize the "Revised Fee Schedule" attached.

22. The County has a self insured Health Plan and is a part of the Florida Retirement System. EMS is not a part of the Florida Retirement System. The Sherriff has a separate insurance and GASB plan.

23. Explain the Landfill Fund.

*The County files with the Department of Environmental Protection that we can meet our obligations for the Landfill closures. We will be closing one (1) landfill this year.*

24. What is the starting timeframe?

*Interim work will begin through the summer. October starts the closing of the books. November starts field work. Draft from Auditor by November 15 and reports by January or earlier.*

25. Barbara Lehman's Office drafts the CAFR

26. Were there any additional services provided other than audit services?

*No*

27. Do you anticipate the same number of major programs as in the prior year?

*We expect fewer ARRA grants, but the rest of the major programs will be similar.*

28. Is there a page limit to the technical narrative that is to be on firm letterhead?

*No*

29. Can the "team composition form" and the "similar projects form" be re-typed into Word versus copying the PDF forms?

*Yes, as long as the content remains the same.*

Firm Name: \_\_\_\_\_ Date: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Typed/Printed Name: \_\_\_\_\_



**EXHIBIT C**  
**FEE SCHEDULE**

Revised 5/18/2012  
RFP 12-0001, AUDITING SERVICE  
PRICING SECTION

FEE SCHEDULE

Task Number	Item Description	Price
1.	Audit of the County's Comprehensive Annual Financial Report which includes the Board of County Commissioners, Clerk, Supervisor of Elections, Tax Collector, Property Appraiser and Sheriff	\$ 178,000
2.	<u>Auditor's opinion for special reports</u>  1. Statement of County Funded Court-Related Functions  2. DEP Report -- Financial Assurance for Landfill Long Term Care and Closing Costs	\$ 3,500  \$ 3,500  \$
3.	<u>Annual audit opinion for other entity for which the County prepares separate financial statements:</u>  Lake Sumter Metropolitan Planning Organization	\$ 15,000
	Hourly rates (which may be used to calculate additional work efforts that may be requested).  Partner \$ 250 per hour Manager \$ 200 per hour Senior Auditor \$ 150 per hour Staff Auditor \$ 100 per hour Clerical \$ 60 per hour	

Notes:

- Lake County is exempt from all taxes (Federal, State, Local). Pricing should be less all taxes. A tax Exemption Certificate will be furnished upon request.
- All pricing submitted shall remain valid for a 90 day period. By signing and submitting a response to this solicitation, the vendor has specifically agreed to this condition.

**By Signing This Proposal the Proposer Attests and Certifies That:**

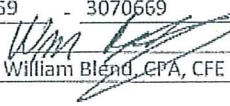
- The proposer satisfies all legal requirements (as an entity) to do business with the County.
- The undersigned vendor acknowledges that award of a contract may be contingent upon a determination by the County that the vendor has the capacity and capability to successfully perform the contract.
- The proposer hereby certifies that it understands all requirements of this solicitation, and that the undersigned individual is duly authorized to execute this proposal document and any related contract(s).

**Certification Regarding Felony Conviction**

Has any officer, director, or an executive performing equivalent duties, of the bidding entity been convicted of a felony during the past ten (10) years? ☐ Yes ☒ No (Check one)

**Conflict of Interest Disclosure Certification**

Except as listed below, no employee, officer, or agent of the firm has any conflicts of interest, real or apparent, due to ownership, other clients, contracts, or interests associated with this project; and, this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same services, and is in all respects fair and without collusion or fraud.  
Exception: \_\_\_\_\_

General Vendor Information and Proposal Signature:			
Firm Name:	Moore Stephens Lovelace, P.A.		
Street Address:	1201 S. Orlando Avenue, Suite 400, Winter Park, FL 32789		
Mailing Address (if different):	_____		
Telephone No.:	407-740-5400	Fax No.:	407-740-0011
E-mail:	wblend@mslcpa.com		
FEIN No.	59 - 3070669	Prompt Payment Terms:	1.5 % 30 days, net
Signature:			
Date:	5/23/12		
Print Name:	William Blend, CPA, CFE		Title: Shareholder